United Nations A/60/651

General Assembly

Distr.: General
13 January 2006

Original: English

Sixtieth session
Agenda item 146 (a)
Financing of the activities arising from Security Council resolution 687 (1991): United Nations Iraq-Kuwait Observation Mission

Final performance report of the United Nations Iraq-Kuwait Observation Mission

Report of the Secretary-General

Summary

The present report contains the final performance report of the United Nations Iraq-Kuwait Observation Mission. The report contains information on assets, outstanding liabilities and fund balances as at 30 June 2005, which is summarized as follows:

Description	*Amount (thousands of United States dollars)*
Cash assets	43 340
Less: Liabilities	1 573
Cash available	**41 767**
Uncollected assessment and other receivables[a]	4 762
Fund balance	**46 529**

[a] Inclusive of $4,724,000 in assessed contributions receivable from Member States.

The report also provides information on the Mission's income and expenditure and voluntary contributions, as well as expenditures incurred in respect of the commitment authority approved by the General Assembly in its resolution 57/330 of 18 June 2003.

The action to be taken by the General Assembly is set out in paragraph 14 of the present report.

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I. Introduction

1. By its resolutions 687 (1991) of 3 April 1991 and 689 (1991) of 9 April 1991, the Security Council decided to establish the United Nations Iraq-Kuwait Observation Mission (UNIKOM), and to review the question of its termination or continuation every six months. The mandate of UNIKOM was subsequently expanded by Security Council resolution 806 (1993) of 5 February 1993.

2. The Security Council decided to continue the mandate of the Mission in subsequent letters from the President of the Council to the Secretary-General. By its resolution 1490 (2003) of 3 July 2003, the Council decided to continue the mandate of the Observation Mission for a final period until 6 October 2003.

Liquidation

3. The liquidation activities, including disposal of assets, were carried out during the period from 4 July to 6 November 2003.

Disposition of assets

4. Information on the disposition of the assets of UNIKOM is contained in the report of the Secretary-General of 15 December 2004 (A/59/614).

II. Expenditure for the period from 1 July to 6 November 2003

5. The General Assembly, by its resolution 57/330 of 18 June 2003, authorized the Secretary-General to enter into commitments in an amount not exceeding $12 million for the period from 1 July to 31 October 2003, to be financed from the accumulated fund balance in the Special Account for UNIKOM. Following the adoption of Council resolution 1490 (2003), the Secretary-General informed the General Assembly in his note of 23 September 2003 (A/58/386) that the $12 million commitment authority would suffice to cover the remaining activities of the Mission, including a one-month field liquidation period. The expenditure for the period from 1 July to 6 November 2003 amounted to $7,021,000, as detailed in table 1.

Table 1
Expenditure for the period from 1 July to 6 November 2003
(Thousands of United States dollars)

Category	*Expenditure*
Military and police personnel	
Military observers	145.0
Military contingents	409.0
Civilian police	—
Formed police units	—
Subtotal	**554.0**
Civilian personnel	
International staff	2 507.0
National staff	2 534.0
United Nations Volunteers	—
Subtotal	**5 041.0**
Operational costs	
General temporary assistance	—
Government-provided personnel	—
Civilian electoral observers	—
Consultants	—
Official travel	59.9
Facilities and infrastructure	379.8
Ground transportation	78.2
Air transportation	94.2
Naval transportation	—
Communications	132.1
Information technology	108.0
Medical	6.9
Special equipment	—
Other supplies, services and equipment	566.9
Quick-impact projects	—
Subtotal	**1 426.0**
Gross requirements	**7 021.0**
Staff assessment income	704.0
Net requirements	**6 317.0**
Voluntary contributions in kind (budgeted)	—
Total requirements	**7 021.0**

	Expenditure
Military and police personnel	$554.0

6. The expenditure related to freight on repatriation of contingent-owned equipment, mission subsistence allowance paid to military observers until their

repatriation, travel on repatriation of military observers, as well as settlement of travel of military observers and military contingents related to the prior financial period.

	Expenditure
Civilian personnel	$5 041.0

7. The expenditure related to salaries, staff assessment, and common staff costs of international and national staff, overtime for national staff, mission subsistence allowance for international staff as well as reimbursement of mission subsistence allowance and compensatory payment to staff as a consequence of a judgement of the Administrative Tribunal.

	Expenditure
Operational costs	$1 426.0

8. The expenditure related to official travel in connection with the closure of the Mission, maintenance and security services, spare parts and supplies, and other facilities and infrastructure costs, rental and maintenance of vehicles and other ground transportation costs, settlement of helicopter rental charges related to the previous financial period, commercial communication costs and other communication and information technology costs, medical services, as well as provision for third party claims, freight on transfer of equipment to the United Nations Logistics Base at Brindisi, Italy, and their storage cost, external audit cost, and other miscellaneous supplies, services, and equipment.

III. Financial performance report

9. As shown in table 2 below, income to UNIKOM from assessed contributions totalled $373,899,000, income from voluntary contributions in cash amounted to $337,722,000 and income from budgeted voluntary contributions in kind were $2,105,000. The amounts of $373,899,000 from assessed contributions and $337,722,000 from voluntary contributions in cash have been fully appropriated by the General Assembly.

10. Expenditure amounted to $647,152,000, inclusive of budgeted voluntary contributions in kind of $2,105,000, and an amount of $7,021,000 for liquidation activities from 1 July to 6 November 2003, and was partially offset by $23,369,000 of savings on or cancellation of prior-period obligations, thereby resulting in a net expenditure of $623,783,000. The unencumbered balance realized by the Observation Mission amounted to $89,943,000, of which $64,420,000 in credits have been returned to Member States, which resulted in a balance of appropriations of $25,523,000.

11. Additional income realized amounted to $30,079,000 and comprised interest income ($23,012,000) and other/miscellaneous income ($7,067,000). In addition, prior-period adjustments in the amount of $561,000 were charged against the fund balance and credits have been returned to Member States in the amount of $8,512,000.

12. Information on UNIKOM's assets, liabilities and fund balance as at 30 June 2005 is shown in table 3 below.

13. The assets of UNIKOM as at 30 June 2005 consisted of cash available of $43,340,000 and $4,762,000 in uncollected assessed contributions and other receivables.

Table 2
Income, expenditure and fund balance for the period from inception (9 April 1991) to 30 June 2005

(Thousands of United States dollars)

	Amount
Income	
Assessed contributions	373 899
Voluntary contributions in cash	337 722
Voluntary contributions in kind (budgeted)	2 105
Total income	**713 726**
Expenditure	
Expenditure[a]	647 152
Savings on or cancellation of prior-period obligations	(23 369)
Net expenditure	**623 783**
Unencumbered balance	89 943
Credits returned to Member States	(64 420)
Balance of appropriation	**25 523**
Interest income	23 012
Other/miscellaneous income	7 067
Prior-period adjustments	(561)
Credits returned to Member States	(8 512)
Fund balance	**46 529**

[a] Inclusive of $2,105,000 of budgeted voluntary contributions in kind.

Table 3
Assets, liabilities and fund balance as at 30 June 2005

(Thousands of United States dollars)

	Amount
Assets	
Cash assets	43 340
Less: Liabilities	1 573
Cash available	**41 767**
Uncollected assessments and other receivables[a]	4 762
Net assets	**46 529**
Fund balance	**46 529**

[a] Inclusive of $4,724,000 in assessed contributions receivable from Member States.

IV. Action to be taken by the General Assembly

14. **The Secretary-General proposes that two thirds of the cash balance of $41,767,000 (equivalent to $27,844,700) be returned to the Government of Kuwait and that the remaining balance of $13,922,300 be credited to Member States.**